

October 11, 2002

Honorable Max Baucus
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

The Congressional Budget Office has prepared the enclosed cost estimate of the effects on direct spending of S. 3018, the Beneficiary Access to Care and Medicare Equity Act of 2002, as introduced on October 1, 2002. CBO has not estimated the effects of the bill on spending subject to appropriation.

We would be happy to be of assistance if you or your staff have any questions about this estimate. The CBO staff contact is Tom Bradley.

Sincerely,

Dan L. Crippen

Enclosure

cc: Honorable Charles E. Grassley
Ranking Member

ESTIMATED BUDGETARY EFFECTS OF S. 3018, THE BENEFICIARY ACCESS TO CARE AND MEDICARE EQUITY ACT OF 2002
AS INTRODUCED ON OCTOBER 1, 2002

	By Fiscal Year, in Billions of Dollars												2003- 2007	2003- 2012
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012				
CHANGES IN DIRECT SPENDING (BUDGET AUTHORITY AND OUTLAYS)														
Medicare														
Title I: Rural Health Care Improvements	1.0	2.2	2.0	1.1	0.9	1.0	1.1	1.2	1.3	1.4	7.2	13.2		
Title II: Provisions Relating to Part A														
Subtitle A—Inpatient Hospital Services	0.8	1.2	0.7	0.4	0.4	0.4	0.4	0.4	0.5	0.5	3.5	5.8		
Subtitle B—Skilled Nursing Facility Services	0.7	0.9	0.8	0.2	0	0	0	0	0	0	2.6	2.6		
Subtitle C—Hospice	0	*	*	*	*	*	*	*	*	*	0.1	0.3		
Title III: Provisions Relating to Part B														
Subtitle A—Physicians’ Services	1.6	4.5	6.6	5.7	2.9	-0.4	-2.5	-3.0	-2.5	-1.4	21.3	11.5		
Subtitle B—Other Services	0.3	0.9	0.1	-0.3	-0.4	-0.4	-0.5	-0.5	-0.6	-0.2	0.6	-1.6		
Title IV: Provisions Relating to Parts A and B														
Subtitle A—Home Health Services	0.2	0.3	*	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	-0.1	0.4	*		
Subtitle B—Other Provisions	0	0	0	0	0	0	0	0	0	0	0	0		
Title V: Medicare+Choice and Related Provisions ^a	0.4	0.8	0.8	0.6	0.4	0.1	-0.1	-0.2	-0.2	-0.1	3.1	2.4		
Title VI: Medicare Appeals, Regulatory, and Contracting Improvements	*	*	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.7		
Title VII: Medicaid/SCHIP														
Extend Cost Sharing for Part B Premium	*	0.1	0.1	0.1	0.1	0.1	*	0	0	0	0.5	0.6		
Title VIII: Other Provisions														
Extend Municipal Health Services Demonstration	<u>0</u>	<u>0</u>	<u>*</u>	<u>*</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>*</u>	<u>*</u>		
Subtotal, Gross Medicare Outlays	5.1	11.0	11.4	7.9	4.3	0.8	-1.6	-2.1	-1.5	0.3	39.7	35.5		
Premium Receipts	<u>-0.6</u>	<u>-1.7</u>	<u>-2.0</u>	<u>-1.5</u>	<u>-0.7</u>	<u>0.2</u>	<u>0.8</u>	<u>0.9</u>	<u>0.8</u>	<u>0.4</u>	<u>-6.6</u>	<u>-3.7</u>		
Subtotal, Net Medicare Outlays	4.5	9.2	9.4	6.4	3.6	0.9	-0.9	-1.2	-0.7	0.7	33.0	31.9		
Medicaid, SCHIP, and Other														
Title VII: Medicaid/SCHIP	5.4	2.1	1.9	0.4	0.1	*	0.1	0.1	*	*	9.8	10.0		
Title VIII: Other Provisions	*	0.2	0.3	0.3	0.1	*	*	0	0	0	1.0	1.0		
Effect of Medicare Provisions on Spending for Medicaid and Other Programs	<u>0.2</u>	<u>0.3</u>	<u>0.3</u>	<u>0.2</u>	<u>0.1</u>	<u>*</u>	<u>-0.1</u>	<u>-0.1</u>	<u>-0.1</u>	<u>*</u>	<u>1.1</u>	<u>0.9</u>		
Subtotal, Medicaid, SCHIP, and Other	5.6	2.6	2.5	0.9	0.3	*	*	*	-0.1	*	11.9	11.9		
Total Changes	10.1	11.8	11.9	7.2	3.9	1.0	-0.8	-1.2	-0.7	0.6	44.9	43.8		

NOTES: SCHIP = State Children's Health Insurance Program.

* = Between -\$50 million and \$50 million.

a. Includes effect of changes in spending per beneficiary in the fee-for-service sector on rates paid to Medicare+Choice plans.